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SUBJECT: MAURITANIA BEGINS TO REFORM TROUBLED GLOBAL FUND
COUNTRY COORDINATING MECHANISM

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11. (U) Summary. After Mauritania's September 2009 suspension from the Global Fund to fight AIDS, tuberculosis and malaria, the Global Fund presented a list of requirements to be met by Mauritania before its suspension could be lifted, including a reformed Country Coordinating Mechanism (CCM), the repayment of USD 1.73 million of misappropriated disbursements and a full accounting of an additional USD 2.69 million of unaccounted funds before March 31, 2010. The USG through the Office of the Global AIDS Coordinator, in conjunction with Embassy Nouakchott encouragement, agreed to finance a technical assistance program to help bring the Mauritanian CCM into compliance with international Global Fund regulations. The technical assistance team visited Mauritania to begin the controversial process of reforming the Mauritanian CCM. The visit of the technical assistance team yielded a surprising number of welcome changes to the CCM, including a change of headquarters from the Ministry of Health to the Ministry of Economy and Development, the designation of a senior inspector from the government's credible Office of the Inspector General at the head of the CCM selection committee, and greater civil society and female representation. While there are many obstacles to be addressed in the remaining two technical assistance visits, there is widespread agreement among donor partners and GIRM and American Embassy officials, that significant progress has been made to reform the Mauritanian CCM in line with Global Fund standards. End Summary.

12. (SBU) The USG's technical assistance program is lead by Grant Management Solutions (GMS), an American contractor that has previously worked with other suspended Global Fund countries. The GMS team visited Mauritania from January 11 - 22, 2010 to begin the task of restructuring Mauritania's CCM. The Global Fund previously expressed concerns that the CCM was located inside the Mauritanian Ministry of Health and was chaired by a senior Ministry of Health official. The Ministry of Health's significant influence over the CCM presented a conflict of interest as the Ministry of Health was both the administrator of the local oversight committee (CCM) and one of the largest recipients of Global Fund financing.

13. (SBU) The GMS team noted that their assistance was enthusiastically welcomed by the Minister of Health. This is a positive sign, because it indicates the Ministry of Health and by extension the GIRM are open to USG assistance to resolve this publicly embarrassing and domestically controversial problem. The Minister of Health expressed to the technical assistance team his disappointment with the handling of the Global Fund suspension of Mauritania. According to the Minister of Health, the GIRM immediately repaid USD 1.73 million of fraudulently spent Global Fund payments and arrested certain figures charged with

embezzlement of Global Fund disbursements only to be told by the Global Fund headquarters that the GIRM was responsible for reimbursing an additional USD 2.5 million of funds which were not accounted for in the initial 2009 financial audit. It should be noted that the Global Fund clearly put the burden upon the Mauritanian government to trace the additional USD 2.69 of missing funds when the suspension was initially announced in September 2009. Despite being given an extension by the Global Fund to allow for a full accounting of all Global Fund disbursements, the GIRM was only asked to reimburse the additional USD 2.5 million in missing funds after it failed to give a satisfactory accounting of all previous disbursements. The Minister of Health has responded to the Global Fund calling for an independent audit by a recognized international auditing firm to validate the amount of funds that cannot be accurately accounted for. The Mauritians are not refusing to pay, but they have serious doubts that nearly two thirds of the total funds could have been misappropriated as suggested by the Global Fund.

14. (SBU) The Mauritians appointed a senior inspector of the Office of the Inspector General to lead the steering committee which will help to select the new CCM for Mauritania. This was viewed as a wise choice, because the Office of the Inspector General is known as an office that does not tolerate corrupt practices. Under the oversight of the Inspector General and with guidance from the GMS team, the steering committee undertook the complicated process of disassembling the dysfunctional CCM and laying the groundwork for the establishment of the new CCM in advance of the March 31, 2010 Global Fund deadline. This process was surprisingly

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smooth and brought widespread agreement from the members of the donor community and steering committee members, which included two U.S. Embassy members. By the end of the GMS visit, the steering committee agreed that the newly formed CCM will no longer be located in the Ministry of Health, but rather in the Ministry of Economy and Development, viewed by the Embassy as a positive move. The steering committee also noted that there was a consensus to allow the GIRM to lose one seat on the CCM and replace that seat with a member of a Mauritanian civil society group. There was also a consensus that 30% of the CCM members will be women.

15. (SBU) Working with civil society also offered challenges for the GMS team. Previously, the civil society members of the CCM were also implementing partners. The GMS team stressed that membership on the Board would be incompatible with receiving funding through the CCM (indeed, much of the misappropriation of funds found by the Global Fund was misused by civil society organizations). Civil society is now looking for respected representatives who do not have activities directly relate to CCM funding.

16. (SBU) While far from solving all of Mauritania's problems with the Global Fund, the GMS visit was the first time, despite previous USG and donor community encouragement, that Mauritania made any concrete progress to reform its CCM. The GMS team will return for two more visits in advance of the Global Fund's March 31st deadline to be sure the new CCM is fully formed, trained and operational. Their next visit, in early February will focus on the difficult task of selecting civil society members to participate in the CCM. The technical assistance team's final visit in late March will be to oversee the CCM membership elections and provide training to the elected CCM members to be sure that Mauritania is prepared to have a functional and accountable CCM overseeing any future Global Fund disbursements. A reformed CCM is not the only obstacle to the lifting of Mauritania's Global Fund suspension. The repayment of the missing USD 2.5 million in Global Fund disbursements will also have to be rectified between the Global Fund and the GIRM in advance of the March 31, 2010 deadline, but the recent progress on the CCM reform is a much needed action to

support Mauritania's efforts to remove its Global Fund suspension.

¶7. (SBU) Although the Global Fund's HIV/AIDS activity in Mauritania is relatively modest, the Government is taking this problem very seriously both because it puts other Global Fund programs at risk but also because it has caused other donors who have direct funding relationships to worry about the application of their funds. In this case, the Aziz government is holding true to its commitment to seriously confront corruption.

HANKINS